

<p style="text-align: center;"><b>GUIDANCE ON GOAL SETTING</b> <b>UNDER PROCUREMENT PREFERENCE PROGRAMS</b> <b>FISCAL YEAR 2001</b></p>
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**Background:**

It is the policy of the United States, as stated in the Small Business Act, that all small businesses have the maximum practicable opportunity to participate in providing goods and services to the government. To ensure that small businesses get their fair share, the SBA negotiates procurement preference goals with each Federal agency and reviews each agency's results. The SBA is responsible for ensuring that the statutory government-wide goals are met in the aggregate. The statutory goals are as follows:

- 23 percent of prime contracts for small businesses;
- 5 percent of prime and subcontracts for small disadvantaged businesses;
- 5 percent of prime and subcontracts for women-owned small businesses;
- 2 percent of prime contracts for HUBZone small businesses for FY 2001 (2.5 percent for FY 2002 and 3 percent for FY 2003 and each year thereafter);
- 3 percent of prime and subcontracts for service-disabled veteran-owned small businesses.

The statutory requirements for establishing goals are based on Section 221 of Public Law 95-507 and Public Law 100-656, Sections 502 and 503. The statutory requirement for women-owned small business goals are based on Public Law 103-355, dated October 13, 1994. The statutory requirement for goals for HUBZone goals are based on Public Law 103-135, dated December 2, 1997. The statutory requirement for goals for service-disabled veteran-owned small businesses are based on Public Law 106-50 dated August 17, 1999.

Public Law 93-400 requires the Office of Management and Budget, through its Office of Federal Procurement Policy (OFPP), to establish a system for collecting, developing and disseminating procurement data, which takes into account the needs of Congress, the Executive Branch and the public sector. That system is the Federal Procurement Data System (FPDS). A new section has been added to the FPDS *Federal Procurement Report*. It is entitled, "Report on Annual Procurement Preference Goaling Achievements." All goaling accomplishments will be publicly reported through this document. Accordingly, only data reported to the FPDS on SF 279/DD-350 and SF 281/DD 1050 may be included in your baseline for reporting purposes.

In accordance with the Office of Federal Procurement Policy Letter 99-1, SBA establishes goals in the following individual goaling categories:

1. Prime contract awards to be made to small businesses.
2. Prime contract awards to be made under the authority of Section 8(a) of the Small Business Act.
3. Prime contract awards to be made to small businesses owned and controlled by socially and economically disadvantaged individuals other than 8(a).
4. Prime contract awards to be made to small businesses owned and controlled by women.
5. Prime contract awards to be made to Historically Underutilized Business Zones (HUBZones).
6. Prime contract awards to be made to small businesses owned and controlled by service-disabled veterans.
7. Subcontracts to be awarded by prime contractors to small businesses.

8. Subcontracts to be awarded by prime contractors to small businesses owned and controlled by socially and economically disadvantaged individuals.
9. Subcontracts to be awarded by prime contractors to small businesses owned and controlled by women.
10. Subcontract awards to be made to Historically Underutilized Business Zones (HUBZones).
11. Subcontract awards to be made to small businesses owned and controlled by service-disabled veterans.

<p style="text-align: center;"><b>Specific Guidance on Goal Setting Under Procurement Preference Programs</b></p>
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The following guidance lists the applicability of the procurement preference goaling program as it applies to each Federal agency having procurement authority.

1. The Federal agency's goals are based on an estimate of the total dollar amount of all prime contracts regardless of dollar value to be awarded during the fiscal year, *including* awards to non-profit organizations, educational institutions, contracts with educational institutions (including HBCUs and MIs) all transportation services, and real property leases. **For FY 2001, agencies *MUST* include Federal Supply Service (FSS) Schedule as part of their estimate of all prime contracts and resultant goals.**

*The exclusions to the goaling baseline are:*

- foreign military sales;
  - non-appropriated funds contracts;
  - contracts to be *awarded and performed* entirely outside the United States;
  - mandatory sources of supplies and services as listed in the Federal Acquisition Regulations, Part 8, e.g., Federal Prison Industries, Inc., Committee for Purchase From People Who Are Blind or Severely Disabled;
  - Wholesale Supply Sources, such as stock programs of the Defense Logistics Agency, the Department of Veterans Affairs, and military inventory control points.
2. A goal for prime contract awards to be made to small business concerns during the fiscal year, expressed in numbers, dollars, and as a percentage of 1 above. Note: This dollar goal includes the dollar goals in 3, 4, 5 and 6 below, if applicable.
  3. A goal for prime contract awards to be made to the Small Business Administration under the authority of Section 8(a) of the Small Business Act, as amended, expressed in numbers, dollars, and as a percentage of 1 above (see Special Instruction 4).
  4. A goal for prime contract awards to be made to small business concerns owned and controlled by socially and economically disadvantaged individuals, other than 8(a), expressed in numbers, dollars, and as a percentage of 1 above. (see Special Instruction 9) Please Note: Please pay special attention to the Small Disadvantaged Business rules and benchmarking formula as published in the Federal Register on 6-30-98.

5. A goal for prime contract awards to be made to small business concerns owned and controlled by women, expressed in numbers, dollars, and as a percentage of 1 above.
6. A goal for prime contract awards to be made to Certified HUBZone small business concerns owned and controlled by individuals operating in qualified HUBZones, expressed in numbers, dollars, and as a percentage of 1 above.
7. A goal for prime contract awards to be made to small businesses concerns owned and controlled by service-disabled veterans, expressed in numbers, dollars, and as a percentage of 1 above.
8. An estimate of the total dollar amount of subcontracts to be awarded by all of an agency's "reporting prime contractors" (as identified in Standard Form 295) during the fiscal year.
9. A goal for subcontracts to be awarded by prime contractors to small business concerns, expressed in numbers, dollars, and as a percentage of 8 above; (NOTE: This dollar amount includes dollar goals in 8 and 9 below.).
10. A goal for subcontracts to be awarded by prime contractors to small business concerns owned and controlled by socially and economically disadvantaged individuals, expressed in numbers, dollars, and as a percentage of 8 above.
11. A goal for subcontracts to be awarded by prime contractors to small business concerns owned and controlled by women, expressed in numbers, dollars, and as a percentage of 8 above.
12. A goal for subcontracts to be awarded by prime contractors to Certified HUBZone small business concerns owned and controlled by individuals operating in designated HUBZones, expressed in numbers, dollars, and as a percentage of 8 above.
13. A goal for subcontracts to be awarded by prime contractors to small businesses concerns owned and controlled by service-disabled veterans expressed in numbers, dollars, and as a percentage of 8 above.
14. A detailed written presentation of the method used to establish the estimates and goals submitted pursuant to paragraphs 1 through 11, along with copies of the historical data upon which the estimates and goals are based. Information about the numbers of contracts involved in the estimates submitted pursuant to paragraphs 2 through 11 is required. This information is needed to evaluate the estimates and the related goals. In establishing contracting goals, identification and justification should be provided for each class of contracts and the projected total value determined by an agency to have little or no subcontract possibilities.

## SPECIAL INSTRUCTIONS

1. FY 2001 goals are expected to reflect measurable improvement over the FY 2000 achievements.
2. All goals are expressed in terms of numbers, dollars, and percentages. However, if there is any variance, up or down, from the projected base amounts upon which goals are established, the percentage goal is the controlling factor and will be used to measure actual attainment.
3. In an effort to broaden the distribution of 8(a) contracts with a special emphasis on firms that have never received a contract, agencies are reminded to express the *number* of 8(a) contracts as well as the dollars and percentages.
4. In the event of extraordinary circumstances such as unexpected budget changes, requests for revised goals will be considered by SBA.
5. With the extraordinary growth in women-owned firms seeking to do business with the Government over the last few years, we believe that this goal has become even more important and achievable and we ask that you redouble your commitment to achieving this goal in fiscal year 2001. The SBA remains committed to providing you with every possible assistance to increase prime and subcontract awards to small women-owned businesses.
6. Reporting agencies are encouraged to coordinate goals required by Section 221(g) with the Minority Business Development Plans mandated by Executive Order 12432 dated July 14, 1983.

## Reports on Agency Achievements Against Established Goals

The head of each Federal agency having procurement powers shall report to the Administrator of the Small Business Administration on the extent of achievements against the goals established in paragraphs 2 through 12. All achievements shall be based upon official SF-279/SF-281 or DD-350/DD-1050 and SF-294/295 data as recorded at the Federal Procurement Data Center (FPDC). Agencies will be provided with preliminary Federal Procurement Data System (FPDS) reports of prime contract achievements. Agencies will have the opportunity to revise any discrepancies with the FPDC. The FPDC will provide each Agency with a copy of its official FY 2001 prime contract data. Agencies will be provided with preliminary FPDS reports of subcontract achievements. Agencies will have the opportunity to resolve any discrepancies with the FPDC. The FPDC will provide each agency with a copy of its official FY 2001 subcontract data.

**OFFICIAL NOTICE:** Not later than December 15, 2001, all Federal Departments and Agencies shall ensure that all their FY 2001 prime contract achievement data has been recorded with the Federal Procurement Data Center (FPDC). Not later than March 2, 2002, all Federal Departments and Agencies shall ensure that all their FY 2001 subcontract achievement data has been recorded with the FPDC.

In addition, as required by statute, Federal Departments and Agencies are reminded that if they fail to achieve any proposed prime or subcontract goal they must submit a written justification to SBA, no later than **April 30, 2002**. The report to the SBA shall include the appropriate justification for failure to meet the goals established and any corrective actions planned for the next fiscal year.

<b>MID-YEAR AGENCY ACHIEVEMENTS</b>
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Annually, in mid-July, the FPDC will provide to SBA a list showing each Federal Department and Agency and their preliminary prime contract statistics for the first two-quarters of data.

<b>REPORT ON COMPETITIVE ACTIONS</b>
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Section 503 of Public Law 100-656 also requires that the report to the President include the number and dollar value of contracts awarded to small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals through noncompetitive negotiation, competition restricted to small business concerns owned and controlled by socially and economically disadvantaged individuals, competition restricted to small business concerns, and unrestricted competition. This data will be compiled by FPDC from the SF-279, showing the number of actions and the total dollars.

The Administrator of the SBA will analyze the reports submitted by the individual agencies and submit a consolidated report to the President, as required by Section 503 of Public Law 100-656.

<p align="center"><b>CALENDAR OF EVENTS</b>  <b>For Fiscal Year 2001</b>  <i>Procurement Preference Goaling Program</i></p>
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DATE	ACTION
December 15, 2001	Due date for all Federal Departments and Agencies to submit final FY 2001 prime contract SF-279 & SF-281 data to FPDC.
January 19, 2002	FPDC issue preliminary report of all Federal Department and Agencies prime contract achievements.
February 2, 2002	Deadline for Federal Departments and Agencies to resolve all discrepancies on prime contract data with FPDC.
March 2, 2002	Due date for all Federal Departments and Agencies to submit final FY 2001 subcontract SF-295 data to FPDC.
March 16, 2002	FPDC issue preliminary report of all Federal Department and Agencies' FY 2001 subcontract achievements.
Mid-March 2002	FPDC prime contract data in <i>"Federal Procurement Report"</i>
April 13, 2002	Deadline for Federal Departments and Agencies to resolve all discrepancies on FY 2001 subcontract data with FPDC.
Mid-April 2002	FPDC publishes subcontract data in <i>"Federal Procurement Report Supplement with Subcontract Data"</i>
April 30, 2002	Due Date for Federal Agencies to submit to SBA their justification for failure to meet any proposed goal established.

## **FPDC PROCESS FOR PRIME CONTRACT GOALING DATA**

The Small Business Administration “Guidance on Goal Setting under Procurement Preference Programs, **Fiscal Year 2001**” states that agency reports of goal achievements shall be based upon Official SF-279/SF-281 data as recording in the Federal Procurement Data System (FPDS). GSA’s Federal Procurement Data Center (FPDC) maintains and operates the FPDS. The FPDC will generate an initial report about mid-January and distribute to the agencies’ directors of Small & Disadvantages Business Utilization (OSDBU) for review and corrections, as necessary.

The FPDC will generate and distribute a final report to the OSDBU Directors. The FPDC will publish this data in the annual FPDS Federal Procurement Report.

The following describes the logic that the FPDC will use to generate the goaling data.

The total dollar amount for each agency will be derived by adding the SF-279 and SF-281 data together as the basis for determining percentages, including awards to non-profit organizations, educational institutions, all transportation services, and real property leases.

The following will be excluded from the SF-279 data:

- Foreign military sales (Item 18 =Y)
- Contracts awarded and performed outside U.S. (Item 17B, Foreign Country = blank)
- Mandatory sources, i.e., JWOD (Item 30, Type of Contractor = D) and UNICOR awards (Item 16, DUNS Number = 626627459).

From the SF-281, the agencies’ total dollar amount will be derived by adding the 4 quarterly submissions from Line 8 column f (Total Dollars), minus Line 2 column f (Contracts for Foreign Governments) and Line 8 column d (Outside the US).

The dollars awarded to Small Business Concerns will be derived:

- From the SF-279 where Item 30 (Type of Contractor ) = A or B (Small Business **or** Small Disadvantaged Business)
- From the SF-281 the dollars of Line 8 column b (Dollars to Small Business)

The following dollars will be added to the aforementioned Small Business dollars of DOD, NASA, and the Coast Guard:

- From the SF-279 where Item 30 = U (HBCU/MI)
- From the SF-281 Line **18** (HBCU/MI)

The dollars awarded pursuant to Section 8(a) of the Small Business Act will be derived:

- From the SF-279 where Item **33B (Small Disadvantaged Business Programs) = A or B (8(a) Contract Award or 8(a) with HUBZone Priority)**
- From the SF-281 Line 15 (8(a) Contract Awards)

The dollars awarded to Small Disadvantaged Business Concerns will be derived:

- From the SF-279 where Item 30 (Type of Contractor) = A (Small Disadvantaged Business), minus those dollars to 8(a) firms where Item **33B (Small Disadvantaged Business Programs) = A or B (8(a) Contract Award or 8(a) with HUBZone Priority)**

- From the SF-281 Line 17 (Small Disadvantaged Business Concerns), minus those dollars from Line 15 (8(a) Contract Awards)

The following dollars will be added to the aforementioned Small Disadvantaged Business dollars for DOD, NASA, and the Coast Guard:

- From SF-279 where Item 30 (Type of Contract) = U (HBCU/MI)
- From SF-281 Line 18 (HBCU/MI)

The dollars awarded to Women-Owned Small Businesses will be derived:

- From the SF-279 where Item 31 (Women-Owned Business) = Y (Yes) and Item 30 (Type of Contractor) = A or B (Small Business)
- From the SF-281 Line 21 (Women-Owned Small Business Concerns)

The dollars awarded to HUBZone Small Business Concerns will be derived:

- From the SF-279 where Item 32 (HUBZone Small Business Concern) = Y (Yes) and
- From the SF-281 Line 20 (HUBZone Small Business Concerns)

The dollars awarded to Service-Disabled Veteran-Owned Small Business Concerns will be derived:

- From the SF-279 where Item 40 (Veteran-Owned Small Business) = A (Service Disabled Veteran-Owned Small Business)
- From the SF-281 Line 23 (Service Disabled Veteran-Owned Small Business)

Note: Any exceptions and exclusions that are agency specific are listed below for that agency only.

<h2>REPORT ON METHOD OF AWARDS</h2>
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A second report will be prepared by FPDC that is a table for Small Business Concerns and a table for Small Disadvantaged Business Concerns by agency showing the actions and dollars for each of the following categories:

1. noncompetitive negotiations
2. restricted competition
3. unrestricted competition

This report will be derived solely from SF-279 data based on the following logic:

- Noncompetitive negotiations to Small Business Concerns are where Item 30 = A or B, and Item 29 = B, C, or D.
- Noncompetitive negotiations to Small Disadvantaged Business Concerns are where Item 30 = A, and Item 29 = B, C, or D.
- Competition restricted to Small Business Concerns is where Item 29 = A, Item 30 = A or B, and Item 33A = B or Item 33C = B or E.
- Competition restricted to Small Disadvantaged Business Concerns is where Item 29 = A, Item 30 = A, and Item 33B = A, B, or C.
- Unrestricted competition to Small Business Concerns is where Item 29 = A, Item 30 = A or B, Item 33A = C or E, and Item 33C = D.
- Unrestricted competition to Small Disadvantaged Business Concerns is where Item 29 = A, Item 30 = A, Item 33A = D or E, Item 33B = D, E, or F, and Item 33C = D.

<b>Department of State</b>
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The prime award dollars will exclude all awards to the American Institute of Taiwan (DUNS number 161174503) and all awards made by American embassies located abroad. The following are the domestic contracting activities that will be included in the SBA report:

• PRMCO	• OPROS
• FSIAQ	• USUNA
• INTOA	• DTSEC
• OPRLS	• WHARC
• OISLR	• INLEC
• MEBCO	• LMAQM
• DTSP0	• IRMOP
• MOFMA	• ALMEC

<b>Department of Transportation</b>
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In addition to the exclusions cited in the Guidance, the following SF-279 dollars will be excluded from the goaling figures for Transportation:

- All awards made by the Federal Highway Administration (agency code 6925) where Item 25 (CICA Applicability) = C (Subject to Statute other than CICA)
- All awards made by the Federal Aviation Administration (agency code 6920)

At the request of the Federal Aviation Administration (FAA), a separate report will be generated for FAA (agency code 6920).

<b>Department of Treasury</b>
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In addition to the exclusions cited in the Guidance, the following SF-279 dollars will be excluded from the goaling figures for Treasury:

- All awards made by the Bureau of Engraving and Printing (agency code 2041)
- All awards made by the U.S. Mint (agency code 2044)
- All awards made by the Comptroller of the Currency (agency code 2046)
- All awards made by the Office of Thrift Supervision (agency code 2047)

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